

By Speed Post

No.1-42/2005-PC  
Government of India  
Ministry of Food Processing Industries  
Panchsheel Bhavan, August Kranti Marg  
New Delhi-110049

Dated: the, 12<sup>th</sup> July 2007

OFFICE MEMORANDUM

Subject: Minutes of the meeting held under the chairmanship of Shri Ajit Kumar, Joint Secretary, on 3<sup>rd</sup> July 2007 with designated banks under the decentralized scheme for disposal of cases pending.

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The undersigned is directed to forward herewith a copy of the minutes of the meeting held under the chairmanship of Shri Ajit Kumar, Joint Secretary, on 3<sup>rd</sup> July 2007 with designated banks under the decentralized scheme for disposal of cases pending in respect of these banks for information and necessary action.

Sd/-  
( M. Jayaraman )  
Under Secretary to the Govt. of India  
Tel.No.26497637

To

As per list enclosed.

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Note: For other correspondences/communications under decentralized scheme, please refer to Ministry's website: [www.mofpi.nic.in](http://www.mofpi.nic.in)

F.No.I-42/2005-PC (Pt.)  
Ministry of Food Processing Industries

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Record Note of the meeting-cum-workshop held with additional 16 banks on decentralization procedure by JS(AK) on 3.7.2007 at 3.30 PM

JS(AK) chaired a meeting-cum-workshop convened with the additional 16 banks, inducted recently as designated banks, on 3.7.2007 to apprise them of the Scheme of Technology Upgradation/Establishment/Modernisation of FPI units under the decentralised procedure of releasing MFPI grant. The list of participants is at Annexure.

2. JS(AK) welcomed the participants and informed that the Ministry has already been interacting with 11 designated banks and that it has been decided to enlarge the number of banks to 27 so that almost all the banks/financial institutions appraising the projects of the applicant for setting up, technology upgradation and modernization of food processing units as also advancing term loan to the applicant are duly covered. He explained that the earlier procedure of centralized disbursement of MFPI grants had been taking long time because of lean structure of the Ministry. Further, the stakes of the banks are already quite high because they have advanced term loan to the FPI units. Based on the viability of the projects appraised by the banks, it was felt that re-appraising those projects by MFPI was of little significance. It has, therefore, been considered after discussions with RBI, Planning Commission, Department of Expenditure and other major banks that in order to avoid duplication and to speed up the disbursement of grants the task of sanctioning/disbursement of grants should be assigned to the

banks/financial institutions which have appraised the projects. Detailed guidelines have already been circulated to the banks for calculating the eligibility of the MFPI grant based on the technical civil works and plant & machinery. JS(AK) also informed the participants that HDFC Bank has been selected as nodal bank for developing e-portal and maintaining it so that it would serve as an interface between the banks and the Ministry for transfer of funds as also for getting the information online. The formats have been prescribed for requirements of funds by the banks for disbursement in two installments to the applicant FPI units. As soon as the application is received by a bank branch, it would be logged in capturing essential details as per the prescribed format. The branch concerned will also be editing the contents of the application as regards its status being pending/ sanction of grants/disbursement of first and second installments, as the case may be. This summary sheet will be available online through the e-portal to the Ministry.

4. After inaugural address of JS(AK), the discussions followed. A question was raised about the time to be taken for development of e-portal and what would be the procedure in the interim period. JS(AK) explained that it will take around 2 months' time to place the e-portal for use by all banks. Till that time manual system will be followed wherein each focal branch can log on to our server through a user ID and password being provided to each focal branch of the banks. The requirement of funds may be sent in the prescribed format through e-mail or by post as well so that funds can be released to the nodal branch of the banks. The banks were assured that decision of sanctioning of grants or its amount as per MFPI guidelines will not normally be questioned/re-examined by MFPI.

5. To another question about the role of SNAs, it was clarified that MFPI operates several other schemes wherein the association of SNAs will continue. As regards the decentralised scheme of Establishment/Technology Upgradation/Modernisation of FPI units, the role of SNAs will continue to be there for providing land, power, water and other facilities to the FPI units. The SNAs will also be monitoring the progress through periodical meetings with the banks in the respective States. Wherever required, a joint inspection may be taken by the SNAs along with banks.

6. On the question of applications pending in MFPI, JS(AK) informed that these applications will also be sent to the focal branches of the banks concerned which have given loan to the FPI units. 80% of the applications will be sent to them by 15<sup>th</sup> July, 2007 and the remaining 20% of the pending applications will be sent by 25<sup>th</sup> July, 2007. After discussions with the banks, it was decided that the banks should sanction the grant within a maximum period of 15 days on these pending applications. On a query from State Financial Corporation about the release of funds to them through their agent bank concerned, JS(AK) stated that it will be convenient because the SFCs do not function as bank themselves.

7. On another question regarding the sick/weak/NPA units, JS(AK) clarified that the units which have gone bad and have been declared as NPA units need not be given MFPI grants. It was also mentioned that as regards means of finance, including promoter's contribution, bank loan, etc, the MFPI grant can be shown as bridge finance from the banks which can be adjusted against MFPI grant later on but it can in no case be adjusted against the term loan.

8. After the discussions, a presentation was made by Shri Awadhesh Kumar, Director explaining the eligible items of technical civil works as also plant & machinery. It was illustrated to the banks as to what item would be eligible items and others which will not be eligible items. Banks were advised to form their own view in respect of items not listed in the list keeping in mind that civil works and the machinery used exclusively for food processing will alone be allowed as eligible items to calculate MFPI grant of 25% and 33.33% as the case may be. Shri S.S. Chahal, DS(Finance) clarified on a query as to the requirement of reefer vans that even if these may form part of essential items in the project cost for the purpose of banks' term loan, it will not be an eligible item for MFPI grant.

9. On a question of 15% limit for grain sector, JS(AK) mentioned that the banks need not worry about this limit as it will be monitored by the Ministry at the time of release of grants to the banks concerned. Banks will be associated in operationalisation of the limit of 15% suitably. At the end, he requested all the banks to intimate the names of nodal officer, branch, address, phone/fax, e-mail, etc so as to facilitate interaction in future.

10. The meeting ended with a vote of thanks to the Chair.

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List of Participants at the meeting held with Banks on 03.07.2007 to discuss issues relating to disposal of pending cases

S.No.	Name & Designation	
1.	Shri Ajit Kumar, Joint Secretary, MFPI	In Chair
2.	Shri S.K. Lohani, Director, MFPI	
3.	Shri Awadesh Kumar, Director, MFPI	
4.	Shri S.S. Chahal, Deputy Secretary, MFPI	
5.	Shri P.K. Datta, Deputy Secretary, MFPI	
6.	Shri M. Jayaraman, Under Secretary, MFPI	
7.	Shri T. Nayal, NIC, MFPI	
8.	Shri N.K.C. Thang, Section Officer, MFPI	

Banks/ FIs

1. Shri K. Raghavan, Deputy General Manager, Indian Bank, Circle Office, New Delhi
2. Shri Kapil Bhatia, Senior Manager, Indian Bank, Circle Office, New Delhi
3. Shri Radhakrishnan A., Zonal Manager, The Catholic Syrian Bank Ltd., New Delhi
4. Shri P.C. Kudaisya, Asstt.General Manager, Indian Overseas Bank, New Delhi
5. Shri Nirmal Bansal, Senior Vice President & Regional Business Head, HDFC Bank, New Delhi
6. Shri Puneet Mathur, Relationship Manager, HDFC, New Delhi
7. Shri Ravi Taneja, Deputy General Manager, Oriental Bank of Commerce, N. Delhi
8. Shri Sudeep Goswami, Vice President (Credit), UTI Bank Ltd., Mumbai
9. Shri P.S. Rajeswara Prasad, General Manager(Projects), APSFC, Hyderabad
10. Shri Kuldeep Kumar Sharma, Vice President(Business) J&K Bank, New Delhi.
11. Shri Y.P. Bhateja, Chief Manager, Bank of Maharashtra, New Delhi
12. Shri M.S. Joshi, General Manager, Bank of Maharashtra, New Delhi
13. Dr. S.S. Chandrashekhar, , Executive Director(Finance), KSFC, Bangalore
14. Shri P.V.Dandekar, Assistant General Manager, Union Bank of India, New Delhi
15. Shri Sunil Agarwal, Sr.Vice President, Federal Bank Ltd., New Delhi.
16. Shri P.R. Nayak, Dy.G.M, Corporation Bank,Zonal Office, New Delhi
17. Shri Kalyan Baran Paul, Chief Manager(SME), United Bank of India, Kolkata
18. Shri R. VenkataRaman, Dy.General Manager, Syndicate Bank, New Delhi

## **List of Addressees**

1. Shri K. Raghavan, Deputy General Manager,  
Indian Bank, Circle Office, Upper Ground Floor  
World Trade Centre, Babar Road,  
New Delhi-110001

2. Shri Kapil Bhatia, Senior Manager  
Indian Bank, Circle Office, Upper Ground Floor  
World Trade Centre, Babar Road,  
New Delhi-110001

3. Shri Radhakrishnan A., Zonal Manager,  
The Catholic Syrian Bank Ltd.,  
M-17, Second floor,  
Main Market, Greater Kailash-II,  
New Delhi-110048

4. Shri P.C. Kudaisya, Asstt.General Manager,  
Indian Overseas Bank,  
Field General Manager's Office,  
A-15, 1<sup>st</sup> Floor, Hauz Khas,  
New Delhi-110016

5. Shri Nirmal Bansal  
Senior Vice President & Regional  
Business Head, HDFC Bank,  
Government Business Group,  
New Delhi

6. Shri Puneet Mathur, Relationship Manager,  
HDFC Bank,  
Regional Office B-6/3, Safdarjung Enclave,  
DDA Commercial Centre,  
Opp.Deer Park,  
New Delhi-110029

7. Shri Ravi Taneja,  
Deputy General Manager,  
Oriental Bank of Commerce  
Social Landing & Priority Sector Department,  
Harsha Bhawan, E-Block,  
Connaught Place,  
New Delhi-110001

8. Shri Sudeep Goswami,  
Vice President (Credit)  
UTI Bank Ltd., Maker Towers,

F, 13<sup>th</sup> floor, Cuffe Parade,  
Mumbai-400005

9. Shri P.S. Rajeswara Prasad,  
General Manager(Projects), APSFC,  
5-9-194, P.B. No.165,  
Chirag Ali Lane,  
Hyderabad-500001 (A.P.)

10. Shri Kuldeep Kumar Sharma  
Vice President(Business), J&K Bank,  
Zonal Office (North) Delhi  
B-206-210, Ansal Plaza, HUDCO Place,  
Andrews Ganj, Khelgaon Marg,  
New Delhi-110049

11. Shri Y.P. Bhateja, Chief Manager,  
Bank of Maharashtra,  
Delhi Circle Office  
15, NBCC Tower, 3<sup>rd</sup> floor,  
Bhikaji Cama Place  
New Delhi-110066

12. Shri M.S. Joshi, General Manager,  
Bank of Maharashtra,  
Delhi Circle Office,  
15, NBCC Tower,  
3<sup>rd</sup> floor, Bhikaji Cama Place  
New Delhi-110066

13. Dr. S.S. Chandrashekhar  
Executive Director(Finance)  
KSFC Bhawan, No.1/1, Thimmaiah Road  
Near Cantonment Railway Station  
Bangalore-560052

14. Shri P.V.Dandekar  
Assistant General Manager, KSFC,  
Field General Manager's Office,  
Union Bank of India  
3<sup>rd</sup> Floor, Shahid Bhagat Singh Place,  
Bangla Sahib Marg, Gole Market,  
New Delhi-110001

15. Shri Sunil Agarwal  
Sr.Vice President, Federal Bank Ltd.,  
Regional Office,

1/7, First floor, East Patel Nagar  
New Delhi-110008

16. Shri P.R. Nayak  
Dy.G.M. Corporation bank,  
Zonal Office, Delhi  
32, Rajendra Bhawan  
Rajendra Place  
New Delhi-110008

17. Shri Kalyan Baran Paul  
Chief Manager(SME),  
United Bank of India,  
Small & Medium Industries Department,  
10<sup>th</sup> floor,Head Office,  
11, Hemanta Basu Sarani,  
Kolkata-700001.

18. Shri R. VenkataRaman  
Dy.General Manager,  
Syndicate Bank,  
Sarojini House,  
6, Bhagwandas Road,  
P.O.Box No. 580,  
New Delhi-110001